

**RENAISSANCE ZONE AUTHORITY
MEETING MINUTES
September 18, 2012**

The Bismarck Renaissance Zone Authority met on August 21, 2012 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street.

Authority members present were Dave Blackstead, Chuck Huber, Kevin Magstadt, Brenda Smith and Curt Walth.

Authority members Jim Christianson and George Keiser were absent.

Technical advisor Bruce Whittey was present.

Technical advisor Jeff Ubl was absent.

Staff members present were Jason Tomanek, Carl Hokenstad, Kim Lee, Brenda Johnson and Charlie Whitman.

Guests present were David Scheer & Kevin Kirkman (Drunken Noodle), Michael Lindblom – 116 North 5th Street, Joel McMaster – 116½ North 5th Street and Kate Herzog & Dawn Kopp (Downtowners).

CALL TO ORDER

Chairman Blackstead called the meeting to order at 4:00 p.m.

MINUTES

The minutes of the April 17, 2012, May 15, 2012 and July 17, 2012 meetings were distributed with the agenda packet.

MOTION: A motion was made by Mr. Magstadt and seconded by Ms. Smith to approve the minutes of the April 17, 2012, May 15, 2012 and July 17, 2012 meetings as received. The motion passed unanimously with members Blackstead, Huber, Magstadt, Smith and Walth voting in favor.

RENAISSANCE ZONE PROJECT APPLICATIONS

A. 116 North 5th Street – Obermiller Nelson Engineering – Lease

Mr. Tomanek gave an overview of the lease project by Obermiller Nelson Engineering. The applicants are proposing to lease 2,250 square feet of space in the lower level of the building for use as office space for a professional engineering firm. The applicant has indicated they intend to hire 5 or 6 full-time employees at this location within the next few years.

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.
2. The lease will be for a new business not currently located in Bismarck that would be located within the Renaissance Zone.
3. The applicant would be occupying space in a building that has previously been rehabilitated as a Renaissance Zone project (Project 40-B completed in May 2008). The area proposed for the lease has not previously been occupied by a different Renaissance Zone applicant or project.
4. The project completion date is projected for September 2012.

Mr. Tomanek said that based on the above findings, staff recommends approval of the designation of the lease of space in the building at 116 North 5th Street by Obermiller Nelson Engineering, Inc. as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy.

There was a brief discussion amongst the Authority members, the technical advisor and staff in regards to state requirements for lease projects. In particular, concerns were raised that the area being leased was not rehabilitated by the property owners as part of the Renaissance Zone Rehabilitation project.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Walth and seconded by Ms. Smith to recommend approval the designation of lease of the space in the building at 116 North 5th Street by Obermiller Nelson Engineering, Inc. as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy. The motion passed unanimously with members Blackstead, Huber, Magstadt, Smith and Walth voting in favor.

B. 510 East Main Avenue – LBMABMK, LLC DBA DRUNKEN NOODLE – LEASE

Mr. Tomanek gave an overview of the lease project. The applicant is proposing to lease 3,426 square feet of space in the main floor level of the building for use as a restaurant. The applicant has indicated they intend to hire the equivalent of 15 full-time employees at this location.

Mr. Tomanek listed the following findings for the proposed Renaissance Zone project.

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.

2. The lease will be for a new business not currently located in Bismarck that would be located within the Renaissance Zone.
3. The applicant would be occupying space in a building that has previously been classified as a Renaissance Zone project (Project 81-B). The area proposed for the lease has not previously been occupied by a different Renaissance Zone applicant or project as this is new construction.
4. The project completion date is projected for November 2012.

Mr. Tomanek said that based on the above findings, staff recommends approval of the designation of the lease of space in the building at 510 East Main Avenue by LBMABSK, LLC dba The Drunken Noodle as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy.

MOTION: Based on the findings included in the staff report, a motion was made by Mr. Huber and seconded by Mr. Magstadt to recommend approval of the designation of the lease of space in the building at 510 East Main Avenue by LBMABSK, LLC dba The Drunken Noodle as a Renaissance Zone project with an exemption from state tax on income derived from the business and investment location for five years beginning with the date of occupancy. The motion passed unanimously with members Blackstead, Huber, Magstadt, Smith and Walth voting in favor.

RENAISSANCE ZONE APPLICATION AND REQUIRED SUBMITTAL ITEMS

Mr. Tomanek said that he emailed the proposed updated application to the Renaissance Zone Authority members. He then explained all the changes and additions that were made to the application.

Mr. Whittey suggested a sixth month completion date.

Mr. Whitman agreed that a six month completion date would be sufficient and projects that extend past the six months could be suspended. The applicant would be expected to disclose the reason for the delay so that the Renaissance Zone Authority could extend the completion date, if desired.

Mr. Walth suggested that projects could have a specified start date also, for approved projects that do not start the actual work right after approval as a project.

Renaissance Zone Authority members and staff discussed the pros and cons of requiring a start date and end date.

Mr. Walth stated that he would like to see requirement for improvements to the exterior condition of the facility in addition to the requirements for landscaping, electrical, plumbing and HVAC.

Mr. Tomanek explained that staff discussed the option to have a City Building Inspector look at the properties and, in order to have an inspection completed on the property, a permit fee would have to be charged and a permit issued.

Mr. Walth said that there is also an obligation to enhance the facilities and exterior improvements should be a part of the project including the upper levels of buildings, not just the main floors.

Renaissance Zone Authority members and staff discussed the idea of requiring exterior improvements as a part of the projects.

Mr. Tomanek indicated that he will speak with the City's Building Official to see what the permit fees would entail and report back at the next meeting.

RENAISSANCE ZONE PER SQUARE FOOT REQUIREMENTS FOR BUILDING ADDITIONS

Mr. Tomanek said that this topic came up at the last meeting when discussing building additions and it was questions whether or not there should be a policy to require a per-square-foot investment for building additions only.

Renaissance Zone Authority members and staff discussed whether or not there should be a policy to require a per square foot investment for building additions only. It was the general consensus of the Renaissance Zone Authority that staff research the average per square foot investments for new construction, rehabilitations and additions and bring the information to the next meeting.

STATUS OF APPROVED RENAISSANCE ZONE PROJECTS

Mr. Tomanek said that no Renaissance Zone projects have been closed out since the last Renaissance Zone Authority meeting.

OTHER BUSINESS

Mr. Tomanek explained that JL Beers has submitted a request to use corrugated metal screening on the roof to hide the mechanical equipment, for the projected located at 213 North 3rd Street. The proposal was discussed briefly.

MOTION: A motion was made by Mr. Walth and seconded by Ms. Smith to deny the request to use corrugated metal panels to screen the roof top mechanical equipment. The motion passed unanimously with members Blackstead, Huber, Magstadt, Smith and Walth voting in favor.

ADJOURNMENT

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 5:15 p.m.

Respectfully Submitted,

Kimberley Tomanek
Recording Secretary

David Blackstead
Chair